

# **Public Water Supply Loan Program**

## **2019 Intended Use Plan**

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**Illinois EPA**

**Bureau of Water**

**Infrastructure Financial Assistance Section**

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## **I. Introduction**

The Illinois Environmental Protection Agency (Illinois EPA) was created on July 1, 1970 by combining the State Sanitation Board and parts of the Illinois Department of Public Health. Illinois EPA's central office is in Springfield, and eight regional offices and one laboratory manage the Agency's programs. The Director of Illinois EPA is appointed by the Governor and serves as a Cabinet Member. Illinois EPA establishes and enforces standards for air, water, waste management, and cleanup of sites contaminated with hazardous substances. Illinois EPA also provides:

- Financial assistance to businesses and communities;
- Environmental education programs for businesses and the public; and
- Pollution prevention assistance to help businesses minimize their waste at the source.

The 2019 Public Water Supply Loan Program (PWSLP) Intended Use Plan (IUP) describes how the Illinois EPA proposes to prioritize projects, distribute funds, and administer the PWSLP during State Fiscal Year (FY) 2019, July 1, 2018 through June 30, 2019.

### **A. Public Participation**

The Draft 2019 IUP was released for public review on June 8, 2018, thus beginning the 30-day public comment period. The Draft 2019 IUP notice was placed on Illinois EPA's general notice website <http://www.epa.illinois.gov/public-notices/general-notices/index> and each of the identified stakeholders of the Public Water Supply State Revolving Fund (SRF) program were also notified by e-mail. The notice directed potential commenters to Barb Lieberoff, Office of Community Relations as the Agency contact for receiving comments and questions pertaining to the Draft 2019 IUP. No comments were received regarding the PWSLP IUP and this IUP is now considered final.

### **B. Benefits of the PWSLP**

The main purpose of the PWSLP is to protect public health by providing financial assistance to eligible public water systems to attain and maintain compliance with the requirements of the Safe Drinking Water Act (SDWA) and Illinois statutes and regulations. The PWSLP is designed to operate in perpetuity to provide low interest rate loans and other forms of assistance to public water systems. Using the PWSLP to fund water supply system improvement projects has many advantages, including:

- 1) Below-market rates provide significant cost savings.
- 2) Although the PWSLP must follow certain Federal and State requirements, overall it is a State program. As the program is administered by State personnel, application and funding requirements have been streamlined to ensure clarity and efficiency.
- 3) The PWSLP, through its various project review and approval procedures, is able to be more than just a funding program. It helps provide applicants greater assurance that their projects will be economically sound, technically appropriate, and environmentally effective.
- 4) The PWSLP can benefit small and economically disadvantaged communities by not only providing a thorough review of the technical and financial viability of their projects, but also offering principal forgiveness and reduced interest rates where applicable.

## **II. Goals for the PWSLP**

### **A. Short-Term Goals**

- 1) Support the identification of necessary actions to reduce lead levels in public water supplies and offer principal forgiveness to certain projects.
- 2) Educate loan applicants on the impacts of revisions to 35 Ill. Adm. Code Part 662, “Procedures for Issuing Loans from the Public Water Supply Loan Program” (Loan Rules) which went through the rulemaking process with the Joint Committee on Administrative Rules and became effective July 1, 2017. The modified rule includes the following changes to the PWSLP:
  - a) Reduced interest rates for loan applicants that qualify for a Small Community Rate or Hardship Rate (further defined within the IUP) (Section 662.210);
  - b) Offer loan terms of up to 30-years, not to exceed the useful life of the project, for loan applicants who qualify for the Small Community Rate or Hardship Rate (Section 662.220);
  - c) Replace the Pre-Application with a Funding Nomination Form (Section 662.310);
  - d) Make Project Plan costs loan eligible (Section 662.430(a));
  - e) Establish the loan interest rate on July 1 instead of October 1 to coincide with the wastewater loan program; and
  - f) Streamline the loan application process.
- 3) Develop and implement a revised project prioritization scoring process to use for State FY2020. Illinois EPA will draft the new prioritization process during 2018 and then promulgate a revision to 35 Ill. Adm. Code Part 662, incorporating the new prioritization system, for submittal to JCAR in the fall of 2018. Illinois anticipates adoption of the rule revision by February 2019 for use in the implementation and development of the FY2020 Project Priority List and IUP. The administrative rule containing the old prioritization system, 35 Ill. Adm. Code Part 663, “Procedures and Requirements for Determining Loan Priorities of Projects in the Public Water Supply Loan Program”, will be repealed.
- 4) Provide funding to as many eligible projects as possible, to the extent the requirements of Section 662.410(a) are satisfied and funds are available.
- 5) Focus financial assistance for projects necessary to achieve or maintain compliance.
- 6) Provide continuous improvement to both the short and long-term planning efforts to ensure the financial strength and stability of the loan programs are maintained.
- 7) Use Set-Aside Funds to arrange for a circuit-rider who will assist public water supply systems with technical training, rate analysis, asset management, system analysis, water-loss, etc.
- 8) To meet the demand for assistance during FY2019 and beyond, the Illinois EPA intends to borrow against the PWSLP’s loan repayments by issuing revenue bonds. The Illinois EPA has been working with the Illinois Finance Authority and financial advisors to calculate the leveraging capacity of the SRF loan programs, the immediate need for bond proceeds and future average annual funding levels the PWSLP can provide and maintain its perpetuity requirements.

- 9) Analyze the methodology used for the establishment of loan program interest rates and initiate a rule modification to establish a new basis for determining interest rates to strengthen the long-term viability of the loan program and ensure a stable and perpetual financing source.

## **B. Long-Term Goals**

- 1) Maximize below-market rate loans and subsidies to eligible public water systems to fund improvements to eliminate public health threats, and ensure compliance with federal and state drinking water laws and regulations.
- 2) Maintain the integrity of the Water Revolving Fund (the Fund) by providing a stable and perpetual financing source for eligible public water supply systems within the State and to fund those loan applicants with available loan resources.
- 3) Target assistance to small and disadvantaged communities to reduce the financial impact of capital improvements projects on the users of smaller systems and systems serving less affluent populations.
- 4) Support extensions of public water systems to address areas of contaminated private water systems.
- 5) Promote the development of the technical, managerial and financial capability of public water system owners and operators to maintain compliance with the state and federal SDWA requirements.
- 6) Continue to maintain the Fund as a major financial vehicle for achieving compliance with State and federal law.
- 7) Encourage the consolidation and/or regionalization of small public water systems so these systems may take advantage of economies of scale available to larger water systems.

## **III. Sources and Uses of the PWSLP for FY 2019**

### **A. Sources and Amounts of FY 2019 Funds**

- 1) Illinois EPA will make up to \$325,000,000 available for PWSLP funding in FY2019, as detailed in the table below. Total available funds on hand, for the upcoming FY2019 is estimated to be \$13,437,064. In addition to funds on hand the program anticipates receiving their FY2018 capitalization grant of \$41,908,000. To meet the demand for assistance during FY2019 and beyond, the Illinois EPA intends to borrow against the PWSLP's loan repayments by issuing revenue bonds in the future as cash is needed to fund the program and transferring \$39,000,000 from the WPCLP to the PWSLP. Based on financial analysis provided by the Illinois Finance Authority, combined with information gathered from the Agency's own cash modeling tools, the Illinois EPA has determined that it needs to return to establishing an annual funding ceiling to maintain the financial health of the Fund. This decision is driven by the amount of revenue bonds needed to fund the program at current levels as well as the need to limit funding commitments in the future to meet the obligations, both in funding commitments and debt obligations, of the program from prior years. In FY2019, this funding ceiling has been established at \$325,000,000. ***The capacity of the PWSLP will need to be reduced in the coming years for the PWSLP to remain operational in perpetuity as required by USEPA.*** The

annual funding level will be reviewed and established each year during the process of developing the Intended Use Plan to continue to maintain the PWSLP in perpetuity

<b>Availability of Funds</b>	<b>Amount</b>
Federal FY2018 Federal Capitalization Grant Funds	\$41,908,000
State Matching Funds*	\$8,381,600
Transfer from WPCLP	\$39,000,000
Additional Bond Funds**	\$212,273,336
Loan Repayments, Reimbursements, Accrued Interest***	\$13,437,064
<b>Total Available Funds</b>	<b>\$325,000,000</b>

\* State Matching Funds for current year grant will be provided by transferring the funds from Loan Support into the PWSLP.

\*\* Funds will be acquired as necessary to meet demand.

\*\*\* Balance available to PWSLP after meeting all debt service obligations.

#### Historical and projected annual PWSLP funding levels

2014 \$196.4M  
 2015 \$115.7M  
 2016 \$207.5M  
 2017 \$273.6M  
 2018 \$337.7M  
 2019 \$3250.0M  
 2020 \$200.0M  
 2021 \$175.0M  
 2022 \$150.0M

*\*2016 was an abbreviated 9-month state fiscal year – October 1 through June 30*

*\*2017 and beyond are state fiscal year – July 1 through June 30*

*In accordance with the Loan Rules; Section 662.260 - The Agency may establish the annual limitations on the amount of loan assistance given to each loan recipient by considering the status of the Fund, capitalization grant amounts, economic conditions and requirements established by USEPA. The annual limitations on the amount of loan assistance established by the Agency must be included as part of the Agency's Intended Use Plan.*

In FY2019 the PWSLP will impose a funding cap, whereby no more than 50% of the available funds can go to any one loan applicant. In FY2020 and beyond, the Agency intends to impose a funding cap whereby no more than 25% of the available funds can go to any one loan applicant. These steps are being taken to maintain the fiscal health of the Fund, while also distributing the available funds across the state of Illinois to as many communities as possible.

## 2) Cash Draw Ratios and Obligation of Federal and State Funds

The PWSLP will maintain the required ratios of cash draws and obligations between Federal Funds and State Funds to reduce accumulated unliquidated obligations. The priority of disbursements is State Match, Capitalization Grant funds, leveraged bond funds, followed by repayments.

State Match: The Illinois EPA provided funds necessary to match the 2018 Capitalization Grant by transferring the required state match from the PWSLP Portion of the Loan Support Account as discussed below. Based on the Agency's projected cash flows, the Agency expects to provide the required match transfer in January of 2019. These state match proceeds will be 100% disbursed prior to the Agency drawing any federal funds from the 2018 grant award. The Agency will then draw the 2018 Capitalization Grant Federal funds at a 100% ratio until all grant funds are exhausted.

Binding Commitments: In managing the PWSLP funds, the State must enter into loan agreements that provide financial assistance in an amount equal to 120% of the amount of each Capitalization Grant payment received, within one year after receiving its grant payment. Illinois EPA will provide loan commitments within one year that exceed 120% of the Capitalization Grant.

## 3) Leveraging

To meet the demand for assistance during FY2019 and beyond, the Illinois EPA intends to borrow against the PWSLP's loan repayments by issuing revenue bonds. The Illinois EPA has been working with the Illinois Finance Authority and financial advisors to calculate the leveraging capacity of the SRF loan programs, the immediate need for bond proceeds and future average annual funding levels the PWSLP can provide and still maintain the USEPA's perpetuity requirements. The Agency anticipates the issuance of approximately \$200 million in leveraged bonds in State FY 2019 will be needed to meet the cash flow needs of the program. This sale should take place sometime in the winter of 2018/2019.

## 4) Transfer of Funds

Illinois EPA is reserving the right to transfer an amount up to 33% of the cumulative Drinking Water State Revolving Fund (DWSRF) Capitalization Grants from the WPCLP to the Public Water Supply Loan Program (PWSLP), or an equivalent amount from the PWSLP to the WPCLP. In State FY 2019, the WPCLP intends to transfer \$39,000,000 of Fund equity to the PWSLP to assist with the PWSLP's current cash flow needs and to allow the PWSLP to leverage less bond funds in order to assist in sustaining the future capacity of the PWSLP. After this transfer, the net total amount transferred from WPCLP to PWSLP will be \$56,750,000.

## 5) Proportionality

Illinois EPA will spend 100% of all state match funds prior to drawing federal funds and then can draw federal funds at a rate of 100% until the matched grant is exhausted.

## 6) Financial Planning

The financial planning process is aimed at maximizing 100% of program resources available as efficiently and responsibly as possible while minimizing long-term financial risk in the program. IEPA has engaged financial advisors to independently determine the optimum amount of loan

disbursements that is sustainable over the next 20 years while maintaining the USEPA's perpetuity requirements. Illinois EPA is enhancing its current methods of determining the timing of cash inflows and the effect on available resources to meet current and future obligations. Illinois EPA monitors on an ongoing basis cash balances available for disbursement to loan borrowers and needs of the program. Leveraged bond sales are anticipated to occur as the cash needs of the program dictate. Excess cash on hand will be minimized and invested appropriately.

#### 7) Grant Payment Schedule

In each drinking water Capitalization Grant Application (Form 424), and in the cover letter to U.S. EPA, Illinois EPA requests the Capitalization Grant be immediately placed in the "Automated Standard Application for Payment" system for drawing for projects.

#### 8) Set-Asides

Illinois EPA will use the set-asides provided for in the 1996 Amendments to the SDWA from the Capitalization Grants when necessary to supplement existing state programs and funds, and not as substitutes for existing funding. This will allow the maximum amount of funds to be provided for infrastructure improvements. In a guidance memorandum dated February 9, 1999, the U.S. EPA announced that states have an option of "banking" certain set-asides for possible use in future years by announcing that possibility in the IUP. The "banking" does not impact the availability or use of loan funds in the current year, but does give the State the flexibility to utilize set-aside funds for other eligible purposes for the present and past State FYs. The amount of the 2% set-aside to be banked at the end of State FY 2019 is reflected in the chart below. The State has asked for and used all of the 4% Administrative set-asides since the beginning of the Drinking Water Loan Program and will ask for the 4% Administrative set-aside in the 2018 Capitalization Grant. The State is requesting the 10% set-aside be banked in the current year.

<b>Banking of Set-Asides</b>	<b>2% Small System Set-Aside</b>	<b>4% Administrative Set-Aside</b>	<b>10% Program Management Set-Aside</b>
Banked Balance at June 30, 2018	\$ 13,141,568.00	\$ -	\$ 3,439,300
FFY 2018 DW CAP Grant Banked Amount	\$ 857,100.00	\$ -	\$ 4,285,500
FY2019 Anticipated Spending	\$ 100,000	\$ -	\$ 0
Total Cumulative Banked Amount	\$ 13,898,668.00	\$ -	\$ 7,724,800

Illinois EPA has entered into a contract for an initial two-year term with the Illinois Rural Water Association to assist public drinking water systems in Illinois with activities and issues including, but not necessarily limited to, technical training of staff, assistance with compliance related issues, user charge analysis, asset management activities, overall system analysis, water-loss analysis, capacity development issues, etc.

The \$250,000 contract will be funded (\$125,000 in FY2019 and another \$125,000 in FY2020) using the Small System (SS) Set Aside and the Local Assistance and Other State Programs (LAOSP) Set Aside. Approximately 80% of the activities are expected to be funded from the SS Set Aside (anticipated at \$100,000 per year) and 20% funded using the LAOSP Set Aside (anticipated at \$25,000 per year).



## B. Structure of the PWSLP

For State FY2019, the PWSLP will be composed of two accounts used to provide assistance to accomplish its goals:

- 1) The Public Water Supply Loan Program Account will provide financial assistance for the planning, design, and construction of improvements to publicly and privately-owned community water supply systems;
  - a) Application Process

To be eligible for PWSLP funds, a potential recipient must be on the Project Priority List (PPL) discussed below. A project with an approved Project Plan may be added to the PPL at any time by the submission of a Funding Nomination Form. The submittal of a Project Plan in accordance with 35 Ill. Adm. Code 662.320 begins the Agency working in earnest with the loan applicant towards obtaining funding. The completion of all loan program requirements, in accordance with 35 Ill. Adm. Code 662.350, allows the Agency to provide financial assistance.
  - b) Additional Program Requirements

Compliance - Illinois EPA will comply with the capacity development authority, capacity development strategy and operator certification provisions to avoid withholdings.
- 2) The Public Water Supply Loan Administrative Account will be used to ensure the long- term administration of the program. In 2019, Illinois EPA will set-aside 4% of the 2018 Capitalization Grant, an amount totaling \$1,714,200 to be used for loan program administration, as provided for under Section 1452(g)(2) of the Safe Drinking Water Act (SDWA). \$175,000 of these administrative funds will be used for in-kind services with the balance used to manage the PWSLP and loan projects in accordance with the requirements of the SDWA.

## C. Project Priority List

The Illinois EPA has developed a Project Priority List (PPL) (Appendix B) that identifies applicants eligible for assistance and is comprised of all projects which submitted a Funding Nomination Form prior to January 31, 2018 as well as projects which have achieved Project Plan Approval.

There are \$736,241,003 worth of projects on the FY2019 PWSLP PPL List, far exceeding the \$325,000,000 of funding available. Projects on the PPL are in various stages of the funding application process but only those identified on the Intended Funding List have funds reserved for them during the first six months of FY2019. ***Projects which are not on the Intended Funding List should not proceed towards bidding their project until sufficient progress has been made towards obtaining funding and the Illinois EPA has notified them that funds are available for their project.***

All projects which have achieved Project Plan approval by January 31, 2018 have been ranked

and scored in accordance with the provisions of 35 Ill. Adm. Code Part 663, “Procedures and Requirements for Determining Loan Priorities of Projects in the Public Water Supply Loan Program.”

The priority system is heavily weighted to primarily rank projects in order of their relative public health significance based on violations of state public health criteria and of the SDWA. The primary factor for prioritizing projects is the “A2”, or Project Need factor, which groups projects together in relative order of the seriousness of the compliance need. At the top of the list are any projects to correct a public health emergency situation, followed by those with a need to correct Acute Maximum Contaminant Level (MCL) violations, followed then by all projects with a need to correct Chronic MCL violations. The next grouping of projects includes those required to correct potential public health threats caused by violations of State standards relating to pressure, transmission, and storage, followed by those projects intended to extend water service to rural areas served by defective private wells. At the bottom of the list are those projects which do not correct existing compliance or public health problems but are still necessary and desirable to maintain an adequate and safe public water supply.

Within each of these major compliance groupings, projects are further ranked in priority order by various other factors such as local financial hardship (a consideration required under the SDWA), numbers of persons directly benefited by the proposed construction, and project schedule. Additional bonus points are awarded if a community has a population of less than 10,000 persons, again in recognition of the intent of the SDWA. These additional factors are vital to the function of the priority system to provide a differentiation of project rank order within each of the major compliance groupings.

The Intended Funding List is a subset of the PPL. Projects included on the Intended Funding List must have a construction start date on or before March 31, 2019. In accordance with the Loan Rules, loan funds will be reserved for these projects until the applicant either completes a loan application or demonstrates that the project will be unable to establish a bid opening date prior to March 1, 2019. In the latter case, a project for which funding was originally reserved may be bypassed for funding. A project that is bypassed does not lose its eligibility for funding; however, funds for a bypassed project are no longer held in reserve and may thereafter, during the bypass funding period (January 1, 2019, through June 30, 2019), be awarded to any other project on the PPL that meets the criteria for loan award per Section 662.350 of the Loan Rules. Projects will be funded in the order in which the requirements of 662.350 are completed.

Another subset of the PPL are those projects which have achieved Project Plan approval but have an anticipated construction start date after March 31, 2019. In accordance with the Loan Rules, funding may not be reserved for these projects due to their anticipated construction start date. Funding may be provided to these projects during the bypass period, or earlier, should available funds exceed the funding requested by projects on the Intended Funding List.

All other projects which submitted a Funding Nomination Form prior to January 31, 2018, but for which Project Plan approval has not been achieved, have been added to the PPL in alphabetical order and thereby ranked equally. Projects for which a Project Plan has not yet been submitted have their project number (L17#) listed as “to be determined” (TBD). A project may be added to the Project Priority List at any time during the year upon obtaining Agency approval of its Project Plan, provided a pre-application has been submitted for the project.

### Project Bypass Procedure

Per the Loan Rules, after January 1 of each year, the Agency may bypass projects on the Intended Funding List that demonstrate they will be unable to establish a bid opening date prior to March 1, 2019. The Agency will evaluate projects on the PPL, based upon readiness to proceed as demonstrated by meeting the criteria for loan award per Section 662.350 of the Loan Rules, and offer loan commitments to projects on the PPL to the extent funds are available. If a project on the Intended Funding List indicates to the Agency between July 1, 2018 and December 31, 2018 that they do not intend to move forward with construction prior to June 30, 2019, the Agency will go ahead and issue a “bypass letter” to said project making those funds reserved available for other projects.

### Project Priority List Updates

The Illinois EPA will public notice updates to the Project Priority List contained in this Intended Use Plan, and effective July 1, 2018, on a quarterly basis (October 1, 2018, January 1, 2019, April 1, 2018).

## **D. Program Administrative Costs and Fees**

The Illinois EPA has operated and maintained a Loan Support Program (LSP) outside the Federal SRF since 1996. The LSP is maintained as a single entity in Illinois statute, but the Illinois EPA accounts separately for funds attributable to PWSLP and Water Pollution Control Loan Program (WPCLP) loans. The LSP is financed by the loan support portion of the fixed loan rate, with that portion currently established at 50% of the fixed loan rate in the PWSLP and the WPCLP. To date, the LSP has been used primarily to finance the reasonable costs incurred by the Illinois EPA for functions that support the management of the PWSLP, which is the financial mechanism used in administering Illinois’ SRF programs.

Estimated PWSLP LSP operational outlays for the Division of Public Water Supplies of the Illinois EPA are projected to total \$2,700,000, dedicated primarily to activities in support of the SRF programs, including compliance, permitting and field operations activities. These costs are separate and distinct from the administrative fees of the PWSLP. As discussed above, the PWSLP also plans on transferring \$8,381,000 from the LSP to the PWSLP for the purpose of providing State Match for the 2018 Federal Grant.

<b>PWSLP Loan Support – Balance/Receipts/Outlays</b>	<b>PWSLP Loan Support</b>
Balance July 1, 2018	\$ 8,487,000
Estimated FY2019 Receipts	\$ 7,215,000
Operational Outlays	\$ (2,700,000)
Transfer to Loan Program to Provide State Match	\$ (8,381,600)
Estimated PWSLP Loan Support Balance June 30, 2019	\$ 4,620,400

## IV. Program Management

One of the purposes of the IUP is to facilitate the planning and administration of the PWSLP. The PWSLP is managed in accordance with 35 Ill. Adm. Code Part 662 “Procedures for Issuing Loans from the Public Water Supply Loan Program”, effective July 1, 2017, and the Public Water Supply Loan Program and Loan Support Program Operating Agreement between Illinois EPA and U.S. EPA Region V. The following details some key aspects involved with management of the PWSLP.

### A. Principal Forgiveness, Interest Rate and Loan Term Determinations

Loan Program staff routinely discuss principal forgiveness, interest rates and loan terms with loan applicants. Staff complete an internal checklist identifying the loan applicant’s information which determine if an applicant qualifies for principal forgiveness, which interest rate an applicant qualifies for and the maximum term for the loan agreement. The principal forgiveness, interest rate and loan term are finalized at the time of loan agreement execution, following bidding of the contract and prior to the commencement of construction activity.

#### 1) Principal Forgiveness

The PWSLP can offer a reduction to the amount of principal that an applicant would otherwise need to repay for its project. This reduction is called “principal forgiveness,” per federal statute. Although the name is different, in practical application principal forgiveness functions much like a grant *i.e.*, the eligible capital costs of the project are reduced by the principal forgiveness amount, thereby eliminating a portion of the principal (and interest) that the borrower must repay. During FY2019, Illinois EPA will offer two options for loan applicants to receive subsidies in the form of principal forgiveness.

*Disadvantaged Community Principal Forgiveness*<sup>1</sup> - Section 1452 of the SDWA allows states to provide up to 30% of the available Capitalization Grant funds to provide subsidization, in the form of principal forgiveness, for loan recipients who meet the definition of a “disadvantaged community”. The PWSLP’s definition of a disadvantaged community per 35 Ill. Adm. Code Part 662 “Procedures for Issuing Loans from the Public Water Supply Loan Program” is as follows;

*Disadvantaged Community – A local government unit that qualifies for either the Small Community Rate or Hardship Rate as defined in Section 662.210.*

Section 662.210 of the loan rules detailing the criteria by which a loan applicant qualifies for the Small Community Rate or Hardship Rate is also listed on page 11-12 of this document.

For FY2019, all loan recipients which meet the definition of a disadvantaged community qualify for disadvantaged community principal forgiveness. The amount of principal forgiveness will be equivalent to 75% of the initial loan amount up to a maximum of \$1,500,000. Principal forgiveness for disadvantaged communities will be available for FY2019 qualifying loan recipients until the maximum amount, \$12,572,400, is expended.

Lead Service Line Replacement (LSLR) Principal Forgiveness<sup>1</sup> - The federal Capitalization Grant requires that 20% (estimated to be approximately \$8,381,600 in FY2019) of the available funds be used to provide additional subsidization for eligible loan recipients in the form of principal forgiveness. Use of the funds and eligibility is determined by each state.

In addition to providing principal forgiveness to some disadvantaged communities, Illinois will provide principal forgiveness towards PWSLP funded projects directly related to activities that reduce or eliminate lead from potable water by removing and replacing lead service lines, and related equipment and appurtenances that the Agency deems a likely source of lead contamination. To qualify, a community water system must document lead service lines are connected to its system. LSLR principal forgiveness will be available up to a maximum amount of \$2,000,000 for communities with a MHI less than 70% of the State average (\$41,437). For other loan recipients, principal forgiveness will be available up to 50% of the initial loan amount up to a maximum amount of \$1,000,000. Total project costs include engineering, administrative, legal, and construction costs. LSLR principal forgiveness will be available for FY2019 loan recipients until all allotted funds are expended. If LSLR funding is not expended, it may be used to provide disadvantaged community principal forgiveness.

1 *MHIs are based on the 2012-2016 American Community Survey 5 Year Estimates Released December 2017*

## 2) Interest Rate and Loan Term Determinations

The Loan Rules provide for a fixed loan rate that shall be established annually at one-half the market interest rate. Specifically, the fixed loan rate is defined by rule as one-half the mean interest rate of the 20 General Obligation Bond Buyer Index from July 1 to June 30, in the preceding State FY, rounded to the nearest .01%. Current Loan Rules establish a new interest rate each July 1 for the following State FY. Based on bond rates through June 30, 2018, the fixed loan rate for loans executed by Illinois EPA from July 1, 2018, through June 30, 2019 will be 1.84%.

The recent rule modifications for the first time allow for reduced interest rates, based upon certain criteria, as well as the possibility for a maximum term of up to 30 years from the initiation of operation, with initial repayments of principal to commence within one year of the initiation of operation. The fixed loan rate is a simple, annual rate. The changes to the Loan Rules governing interest rates and repayment period are below:

### **Section 662.210 Fixed Loan Rate**

The interest rate of the loan agreement shall be a fixed loan rate and shall be established as follows:

- a) Base 20 Year Rate – Loan agreements with a repayment period not to exceed 20 years shall have a fixed loan rate equal to 50% of the market interest rate (mean interest rate of the 20 General Obligation Bond Buyer Index, from July 1 through June 30 of the preceding State fiscal year rounded to the nearest 0.01%).

- b) Small Community Rate – A public water supply with a service population less than 25,000 that also meets any one of the following three criteria qualify for a fixed loan rate equal to 75% of the Base 20 Year Rate:
  - 1) The median household income of the public water supply’s service population is less than the statewide average.
  - 2) The unemployment rate of the public water supply’s service population is greater than the statewide average.
  - 3) The public water supply’s annual user charge, based upon the average monthly bill of the public water supply’s residential customers, is greater than 1.0% of the median household income of the public water supply’s service population.
- c) Hardship Rate – A public water supply with a service population less than 10,000 that also meets any one of the following three criteria qualify for a fixed loan rate of 1.0%:
  - 1) The median household income of the public water supply’s service population is below 70% of the statewide average.
  - 2) The unemployment rate of the public water supply’s service population is at least 3.0% greater than the statewide average.
  - 3) The public water supply’s annual user charge, based upon the average monthly bill of the public water supply’s residential customers, is greater than 1.5% of the median household income of the public water supply’s service population.
- d) Environmental Impact Discount – When at least 50% of the eligible project costs fund any of the following components, the loan applicant shall receive a 0.2% discount from the rates established in subsection (a), (b), or (c):
  - 1) green infrastructure projects;
  - 2) projects lowering water demand;
  - 3) projects reducing energy demands at a public water supply; or
  - 4) projects involving the removal or replacement of lead in water mains or service lines.

#### **Section 662.220 Loan Repayment Period**

- a) Except as provided in subsections (b) and (c), the loan repayment period cannot exceed the lesser of 20 years beyond the initiation of operation date, 20 years beyond the initiation of the loan repayment period, or the projected useful life of the project to be financed with proceeds of the loan.

- b) For loan applicants that are a disadvantaged community, the loan repayment period cannot exceed the lesser of 30 years beyond the initiation of operation date, 30 years beyond the initiation of the loan repayment period, or the projected useful life of the project to be financed with proceeds of the loan.
- c) The Agency may require a loan repayment period term of less than the maximum. In evaluating the appropriateness of alternative loan terms, the Agency shall consider such factors as the scope of the proposed project, the impacts of alternative loan terms on user fees, and the overall cost of the project.

## **V. Federal Assurances**

Illinois EPA provides the following assurances and certifications to the U.S. EPA as a part of the IUP. Illinois EPA agrees to the following as required by the SDWA, the PWSLP Operating Agreement with the U.S. EPA, and as conditions of the grants to capitalize the PWSLP.

### **A. Environmental Reviews**

The Illinois EPA will conduct environmental reviews for all projects as specified in its Operating Agreement with the U.S. EPA and specified in Part 662 of the Procedures for Issuing Loans from the Public Water Supply Loan Program. The procedures establish a methodology to assure that loan funded projects are environmentally acceptable.

### **B. Expeditious and Timely Expenditures**

Illinois EPA will expend all funds in the PWSLP in a timely and expeditious manner as per 40 CFR 35.3550(l).

### **C. Program Benefits Reporting**

All funded projects will be reported to the U.S. EPA Project Benefits Reporting (PBR) system on an ongoing basis, as required by U.S. EPA. In addition, Illinois EPA will meet the reporting requirements set forth by the Federal Funding Accountability and Transparency Act (FFATA) and will report annually into the National Information Management System database.

### **D. Wage Rates and Standards**

In order to meet a Federal Capitalization Grant condition, the Illinois EPA will require PWSLP projects to comply with the Federal wage and employment standards under the Federal Davis-Bacon Act.

#### **E. Archeological and Historic Preservation Act of 1974, National Historic Preservation Act of 1966 and other federal Cross-Cutters**

U.S. EPA has determined that the provisions of PL 93-291, also known as the National Historic Preservation Act, must be applied to activities of State revolving loan funds where their activities are supported by funds directly made available by Federal Capitalization Grants. All PWSLP projects are reviewed by the Illinois Historic Preservation Agency (IHPA) for compliance. All projects must have a federal Section 106 sign-off prior to receiving a loan. The sign-off may be unconditional, or it may be conditional upon the applicant agreeing to incorporate measures to protect or recover historic or archeological resources.

Construction projects partially or fully funded by the DWSRF Program must comply with federal laws generally known as “cross-cutters.” Illinois EPA will ensure that DWSRF loan recipients comply with applicable federal laws through a variety of program procedures.

#### **F. Guidelines for Enhancing Public Awareness of SRF Fund Assistance Agreements**

U.S. EPA has produced a document titled “Guidelines for Enhancing Public Awareness of SRF Assistance Agreements” (dated June 3, 2015), which outlines the requirement for increased awareness of Federal funding through the DWSRF and CWSRF. These guidelines include options for project “signage”. Illinois EPA has satisfied this requirement by modifying Standard Condition No. 23 within the Loan Agreement, which states:

The loan recipient shall meet a signage requirement by posting a sign at the project site or making an equivalent public notification such as a newspaper or newsletter publication; utility bill insert; or online posting for the project duration. After the signage requirement is met, documentation must be submitted to the Illinois EPA using the Public Notification/Signage Requirement Certificate of Completion.

All loan recipients must submit the certification form prior to the first disbursement of loan funds. All signage must include language that the project is wholly or partially funded with joint funding using both State and Federal funds.

<http://www.epa.illinois.gov/Assets/iepa/forms/water-quality/financial-assurance/signage-document.pdf>

#### **G. American Iron and Steel (AIS) Requirements**

All PWSLP projects must include the requirement for American Iron and Steel per the “Consolidated Appropriations Act 2017.” This law continues the requirement for the use of AIS products in DWSRF projects. The definitions, applications, and processes of AIS as included in the CWA are essentially the same as the AIS requirement that was included in the Continuing Appropriations Act of 2014. Standard Condition No. 18 of all loan agreements obligates the applicant to comply with the AIS requirements, and extensive guidance is available on ILLINOIS EPA’s website.



## H. Equivalency

States can identify a group of loans, the sum of which is equal to the amount of its capitalization grant, to meet crosscutter and single audit requirements. This concept is called “equivalency”. Beginning in FY2019 Illinois has chosen to use equivalency to satisfy the single audit requirements and intends to designate a Village of Oak Lawn (L175084) project for this purpose. Illinois has chosen not to use equivalency to satisfy all other crosscutter requirements.

## I. Small Systems Minimum Assistance

The SDWA requires that of the amount credited to any state loan fund in any fiscal year, 15% shall be available solely for providing loan assistance to public water systems which regularly serve fewer than 10,000 persons to the extent such funds can be obligated for eligible projects of public water systems. Illinois EPA has historically met this requirement on an annual basis but fell below the 15% level in FY2017 and thus far in FY2018 as demonstrated by the table below. Approximately 7.3% of the projects on the FY2019 Intended Funding List are for projects serving fewer than 10,000 persons. The Illinois EPA will continue to look for ways to increase the amount of funding to loan applicants serving fewer than 10,000 persons to ensure a sufficient level of funding goes to meet this requirement on an ongoing basis.

State Fiscal Year	Total Funding	Funding to Loan Recipients Serving Fewer Than 10,000 Persons	Percent of Funding to Loan Recipients Serving Fewer Than 10,000 Persons
2011	\$53,032,203	\$19,663,096	37.1%
2012	\$96,564,286	\$61,880,498	64.1%
2013	\$64,304,424	\$27,220,925	42.3%
2014	\$159,760,510	\$23,700,465	14.8%
2015	\$147,783,544	\$43,756,118	29.6%
2016	\$124,582,838	\$39,244,068	31.5%
2017	\$273,569,175	\$22,735,523	8.3%
2018*	\$249,059,656	\$22,021,799	8.8%
2019**	\$325,000,000	\$21,865,500	6.7%

\* 2018 numbers constitute the total funding issued in FY2018 as of May 3, 2018

\*\* 2019 numbers are from the PWSLP FY2019 Intended Funding List.

## J. Accounting/Auditing Requirements

Illinois agrees to ensure that the State and public water systems receiving assistance will use accounting, audit, and fiscal procedures conforming to Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board or, in the case of privately-owned systems, the Financial Accounting Standards Board.

## APPENDIX A: Definitions and Acronyms

As used in this document, the following words and terms mean:

Agency – Illinois Environmental Protection Agency

Binding Commitment – A legal obligation between the Agency and a loan recipient to provide financial assistance from the Public Water Supply Loan Program to that loan recipient, specifying the terms and schedules under which assistance is provided. The loan agreement will be considered a binding commitment.

Capitalization Grant – The actual federal funds received by the Agency for deposit into the PWSLP as a result of the Capitalization Grant agreement with USEPA.

Construction – *Any one or more of the following which is undertaken for a public purpose: preliminary planning to determine the feasibility of the public water supply facilities; engineering, architectural. Legal, fiscal, or economic investigations or studies, surveys, designs, plans, working drawings, specifications, procedures or other necessary actions, erection, building, acquisition, alteration, remodeling, improvement or extension of public water supply facilities, or the inspection or supervision of any of the foregoing items.* (415 ILCS 5/19.2(d))

Director – Director of the Illinois Environmental Protection Agency

DWSRF – Drinking Water State Revolving Fund

EPA – Environmental Protection Agency

Facilities – Equipment or operating systems that are constructed installed or established to serve the particular purpose of improving or augmenting sustainability for public water supplies and public water supply facilities in a watershed. Facilities may involve stand-alone projects or be involved as component pieces of public water supply projects. Facilities in the context of the Green Project Reserve will address green infrastructure, water and energy efficiency improvements and other environmentally innovative activities.

FFATA – Federal Funding Accountability and Transparency Act

Fixed Loan Rate – Fixed loan rate that shall be established annually at one-half the market interest rate. Specifically, the fixed loan rate is defined by rule as one-half the mean interest rate of the 20 General Obligation Bond Buyer Index from October 1 to September 30, in the preceding fiscal year, rounded to the nearest .01%.

Fund – The Water Revolving Fund authorized by 415 ILCS 5/19.3, consisting of the Water Pollution Control Loan Program, the Public Water Supply Loan Program, and the Loan Support Program.

FY – Fiscal Year

Initiation of Operation – The date specified by the loan agreement on which use of the project began operation for the purposes that it was planned, designed and constructed.

IUP – Intended Use Plan – *A plan which includes a description of the short and long term goals and objectives of the PWSLP, project categories, terms of financial assistance, communities and population benefitted.* (415 ILCS 5/19.2(e))

Loan Agreement – The contractual agreement between the Agency and the local government unit or

privately-owned community water supply that contains the terms and conditions governing the loan issued from the PWSLP.

Loan Applicant – A local government unit or privately-owned community water supply that has applied for a loan from the PWSLP for construction of public water supply facilities.

LSLR – Lead Service Line Replacement

LSP – Loan Support Program

Maximum Contaminant Level (MCL) – The maximum permissible level of a contaminant in water that is delivered to any user of a public water system.

MHI – Median Household Income

Principal – All disbursements, including interest and loan support accrued on the disbursements, that will be financed at the time the repayment schedule period begins.

Privately Owned Community Water Supply (System) – *an investor owned water utility, if under Illinois Commerce Commission regulation and operating as a separate and distinct water utility; a not-for-profit water corporation, if operating specifically as a water utility; and a mutually owned or cooperatively owned community water system, if operating as a separate water utility. (415 ILCS 5/19.2)*

PBR – Project Benefits Reporting

Project – The activities or tasks the Agency identifies in the loan agreement for which the loan recipient may expend loan funds.

PPL – Project Priority List, which is an ordered listing of projects developed in accordance with the priority system described in 35 Ill. Adm. Code 663: Subpart B (Procedures for Calculating the Loan Priority Index) that the Agency has determined are eligible to receive financial assistance from the PWSLP.

PWSLP – The Public Water Supply Loan Program as authorized by Section 19.2 of the Environmental Protection Act. (415 ILCS 5/19.2)

SDWA – The Federal Safe Drinking Water Act, as amended. (42 USC 300f)

SRF – State Revolving Fund

WPCLP – Water Pollution Control Loan Program

## APPENDIX B: 2019 Public Water Supply Loan Program - Project Priority List

#	Applicant	L17#	New/ Renew	Date Rec'd	Project Description	Facility Number	Projected Loan Amount	Const. Start Date	Service Population	Loan Priority Index
<b>PWSLP FY2019 INTENDED FUNDING LIST</b>										
<b>Projects with Project Plan approval - Anticipated construction prior to March 31, 2019</b>										
1	Cambridge	3911	Renew	1/26/18	construct hydrous manganese oxide (hmo) filtration at water treatment plant	IL173911	\$1,027,500	05/01/18	2,113	62.32
2	Bartlett	5512	Renew	12/4/17	phase 1,3 & 4 - transition from current water supply to DuPage Water Commission	IL0314120	\$10,564,019	07/18/18	42,000	32.62
3	Quincy	5487	Renew	1/16/18	2nd lime softening contact clarifier & chemical feeds, replace booster station pumps	IL0010650	\$5,250,000	07/10/18	43,000	28.63
4	Astoria	5468	Renew	11/22/17	upgrade existing WTP, replace 100,000 gal. finished water ground storage tank	IL0570050	\$1,200,000	07/13/18	3,833	15.08
5	Chicago-Dept. of Water Management	5482	Renew	1/31/18	continuation of chicago dwm's annual water main replacement program	IL0316000	\$105,321,333	07/22/16	2,695,598	14.68
6	Chicago-Dept. of Water Management	5483	Renew	1/31/18	continuation of chicago dwm's annual water meter installation program	IL0316000	\$22,800,000	07/01/18	2,695,598	14.68
7	Stockton	5438	Renew	1/24/18	replace water mains, provide auxiliary power supply for 2 wells	IL0850450	\$1,630,000	01/01/19	100	14.25
8	Dolton	5270	Renew	12/7/17	install completely operational fixed network radio frequency AMR system	IL0310690	\$2,000,000	04/02/18	23,153	13.86
9	Butler	5344	Renew	12/4/17	replace mains w/new PVC mains & appurtenances & replace ground storage tank	IL1350050	\$600,000	07/16/18	180	13.01
10	Rockton	5479	Renew	1/19/18	Rehab Prairie St. water tower, demo & construct new Wagon Wheel water tower	IL2010350	\$2,408,000	05/31/18	7,655	12.88
11	DeKalb	5473	Renew	12/5/17	2018 water main improvements: replace 4,329 ft of water mains	IL0370100	\$1,704,000	07/09/18	45,000	12.65
12	Durand	5505	Renew	1/24/18	replace 4,250 lf of undersized, deteriorated water main in two areas of town	IL2010100	\$2,394,000	12/01/18	1,443	12.41
13	Fort Massac Water District	4049	Renew	12/15/17	construct approx. 3,450 ft. of new water mains	IL127505	\$230,000	06/01/18	110	12.29
14	Palos Park	5228	Renew	12/5/17	replace 4,300 LF water mains	IL0311000	\$1,500,000	06/01/18	4,849	11.69
15	Victoria	4571	Renew	8/4/17	replace water mains, new valves, hydrants and curb boxes	IL0950550	\$850,000	08/01/18	323	11.51
16	Indian Head Park	5494	Renew	12/6/17	replace up to 3 miles of water mains	IL0311410	\$3,000,000	06/18/18	3,047	11.48
17	Bond Madison Water Company	5340	Renew	1/2/18	new booster station & construction of water extensions	IL0050020	\$1,000,000	09/01/18	6,000	11.28
18	Wonder Lake	5066	Renew	1/4/18	install new meter reading system, replace 1,446 water meters	IL1115300	\$1,570,000	03/05/18	5,961	11.28
19	Stillman Valley	5458	Renew	12/21/18	replace water main	IL1410550	\$1,364,000	05/07/18	249	10.90
20	Evanston	5108	Renew	1/22/2018	treated water storage improvements	IL0310810	\$20,550,000	1/4/2019	425,000	10.63
21	Oak Lawn	5395	Renew	1/10/18	construct 60 in transmission main along 4 intersections	IL0312220	\$6,581,000	10/01/18	325,000	10.51
22	Oak Lawn	5530	Renew	1/10/18	construct water main (151 St. to Orland Park Reservoir)	IL0312220	\$15,372,000	02/01/19	325,000	10.51

23	Oak Lawn	5084	Renew	1/10/18	construct 60 in transmission main (Cal Sag Channel to 151 St.)	IL0312220	\$43,618,000	03/01/19	325,000	10.51
24	Monee	1889	Renew	11/18/17	install elevated tank, well and well house and SCADA system	IL1970650	\$3,300,000	11/15/18	6,500	10.31
25	Joliet	5429	Renew	1/26/18	replace 20,000 linear feet of water main (year 3 of 5 year project)	IL1970450	\$7,300,000	01/08/19	148,000	9.92
26	Central Lake County JAWA	5450	Renew	1/31/18	add 2 new communities currently on well systems (west group bid pkg 3)	IL0971070	\$8,000,000	04/30/18	207,000	9.32
27	Central Lake County JAWA	5551	Renew	1/31/18	add 2 new communities currently on well systems (west group bid pkg 5)	IL0971070	\$1,800,000	05/31/18	207,000	9.32
28	Clayton-Camp Point WC	2813	Renew	12/7/17	water supply and distribution system improvements	IL0015200	\$6,600,000	07/01/18	20,000	7.80
29	Gurnee	5394	Renew	1/25/18	2 million gallon elevated storage tank & 5 million gallon per day booster station	IL0970350	\$7,018,000	04/16/18	31,295	7.50
30	New Lenox	5503	Renew	11/15/17	replace water mains	IL1970700	\$4,500,000	11/12/18	25,100	7.40
31	Western Springs	5495	Renew	1/23/18	construct new well (Phase 1)	IL0313180	\$2,000,000	10/04/18	13,391	5.13
32	Western Springs	5496	Renew	1/23/18	rehab standpipe (Phase 2)	IL0313180	\$1,050,000	12/10/18	13,391	5.13
33	Western Springs	5565	New	1/23/18	construct 1,000 LF transmission main from well to treatment plant (Phase 3)	IL0313180	\$640,000	11/12/18	13,391	5.13
34	Galesburg	5529	New	12/19/17	phase III-FY19-replace lead water services lines	IL0950200	\$2,000,000	03/04/19	550	N/A
35	Oregon	5543	Renew	1/23/18	water main replacement and looping	IL1410400	\$3,100,000	02/01/19	3,721	N/A
<b>PWSLP FY2019 Intended Funding List - Total \$299,841,852</b>										

<b>PROJECT PRIORITY LIST CONTINUED</b>										
<b>Projects with Project Plan approval - Anticipated construction after March 31, 2019</b>										
1	Beach Park	3496	Renew	12/5/17	approx 5,915 ft. of 12-inch main to interconnect the village's 2 pressure zones	IL0970190 & IL0971220	\$4,205,000	08/01/19	8,960	12.45
2	Chicago-Dept. of Water Management	5559	New	1/31/18	convert from steam to electric power at central park pump station - 2nd Loan	IL0316000	\$50,000,000	07/01/19	525,149	13.97
3	DeKalb	5474	Renew	8/17/17	2019 water main improvements: replace 2,794 ft of water mains - phase III	IL03070100	\$1,214,000	06/11/19	45,000	12.65
4	DeKalb	5475	Renew	8/17/17	2020 water main improvements: replace 2,700 ft of water mains - phase iv	IL03070100	\$1,158,000	06/11/20	45,000	12.65
5	DeKalb	5476	Renew	8/17/17	2021 water main improvements: replace 1,950 ft. of water mains - phase v	IL03070100	\$845,000	06/11/21	45,000	12.65
6	Downers Grove	5338	Renew	1/22/18	rehab emergency well house, repair elevated water tank & replace 8,500 ft of main	IL0430300	\$5,335,700	05/14/19	48,867	8.69
7	Downers Grove	5339	Renew	1/22/18	rehab elevated water tank & replace 7,400 ft of water main	IL0430300	\$1,939,000	05/12/20	48,867	8.19
8	Oak Lawn	5086	Renew	1/10/18	construct water main (connect to Palos Hills reservoir) Improvements related to 60 inch transmission main (Cal Sag Channel to 151 St.)	IL0312220	\$2,214,000	04/01/19	325,000	10.51
9	Oak Lawn	5381	Renew	1/10/18	construct water main (151 St. to Booster station 2)	IL0312220	\$2,500,000	04/01/19	325,000	10.51
10	Oak Lawn	5085	Renew	1/10/18	construct 60 in transmission main (Marion Ave to Cal Sag channel)	IL0312220	\$26,363,000	06/01/19	325,000	10.51
11	Oak Lawn	5083	Renew	1/10/18		IL0312220	\$44,348,000	11/01/19	325,000	10.01

12	Rochelle	5443	Renew	12/5/17	install iron removal filtration	IL1410500	\$4,600,000	2/1/20	9,574	65.23
<b>\$144,721,700</b>										

## PROJECT PRIORITY LIST CONTINUED

**Funding Nomination Form received before January  
31, 2018 without an approved Project Plan**

#	Applicant	L17#	New/ Renew	Date Rec'd	Project Description	Facility Number	Project Cost	Const Start Date	Service Population
1	Albany	5504	Renew	12/5/17	drill new municipal well to replace Well #1 and Well #2	IL1950050	\$2,300,00	06/01/18	891
2	Athens	5492	Renew	12/11/17	new well & recarbonation system at treatment plant		\$750,000	06/01/19	1,950
3	Atwood	5515	Renew	12/10/17	rehab 150,000 gal. water tower & interior of 7,500 gallon detention tank	IL0414060	\$360,000	05/31/18	1,384
4	Bartlett	5538	Renew	12/4/17	phase 2 only - transition water supply to DuPage Water Comm.	IL0314120	\$6,671,975	07/18/18	42,000
5	Bensenville	4402	Renew	1/25/18	construct new 8" & 12" dia. ductile iron watermain within existing street ROW	IL0434140	\$7,100,000	03/01/19	747
6	Berwyn	5289	Renew	1/26/18	Improve, upgrade, renovate & replace existing drinking water distribution facilities		\$5,500,000	07/29/18	56,657
7	Blue Island	5051	New	1/30/18	replace approx. 4,400 ft of 4-inch water main with 8-inch water main	IL0310240	\$2,000,000	02/20/19	23,463
8	Burnham	4193	Renew	1/4/18	replace aged water meters & extension of 350 ft. of 12-inch water main	IL0310360	\$1,490,000	08/15/18	4,210
9	Campbell Hill	4284	New	1/16/18	remove & replace 30 hydrants & 6,000 lf of water mains	IL0770100	\$406,000	08/01/18	350
10	Central Lake County JAWA	5186	Renew	1/31/18	construct 54-inch raw water intake	IL0971070	\$13,500,000	03/31/19	207,000
11	Chester	3507	New	1/18/18	WTP new lime silo, building addition, piping, electrical, roof replacement	IL1570100	\$1,610,000	06/01/19	8,702
12	Crestwood	4407	Renew	1/24/18	looping and up-sizing of the water main	IL0310600	\$3,804,880	07/01/18	865
13	Crestwood	5524	Renew	1/24/18	looping and up-sizing of the water main	IL0310600	\$5,293,180	07/01/19	924
14	Crestwood	5525	Renew	1/24/18	looping and up-sizing of the water main	IL0310600	\$2,988,980	07/01/20	395
15	Dowell	5466	Renew	12/8/17	create loops in system, eliminate dead end lines & allow for better flow of water	IL0770250	\$420,000	07/01/18	1,248
16	Evanston	5106	Renew	1/22/18	transmission main rehabilitation	IL0310810	\$9,000,000	01/11/19	140,700
17	Evanston	5393	Renew	1/22/18	small diameter water main rehabilitation in easements	IL0310810	\$860,000	02/15/19	75,000
18	Franklin Park	5206	Renew	1/31/18	replace 6,330 ft of 4-inch water main, valves & hydrants	IL0310960	\$1,460,000	07/06/18	18,410
19	Galena	1946	New	1/31/18	Rehab well #5 water tower and watermain replacement and new watermain	IL0850200	\$1,432,000	07/15/18	800
20	Godley Public Water District	5401	Renew	4/27/17	construct a transmission main in order to collaborate with coal city	IL1970130	\$3,200,000	08/01/17	6,000
21	Harrisburg	5312	Renew	1/23/18	replace existing watermain and appurtenances (Phase 1)	IL1650200	\$2,000,000	10/01/18	1,200
22	Havana	4632	Renew	1/30/18	new elevated water tower, install water main to service tank, control valve	IL1250200	\$2,000,000	09/28/18	3,301

23	Hoffman Estates	3518	Renew	12/11/17	Rehab two water towers, T-2 and T-4		\$521,000	08/01/18	51,738
24	Ivesdale	4908	Renew	1/2/18	improvements to the water treatment plant, distribution system and water tower	IL0194560	\$815,000	10/01/18	360
25	Kinkaid-Reed's Creek CD	5519	Renew	12/1/17	install new bulk carbon feed system in new dedicated building	IL0775100	\$300,000	08/01/18	21,969
26	Lockport Township	5537	New	12/26/17	water main and valve replacement	IL1978100	\$4,320,000	08/17/18	2,610
27	Lyndon	5556	New	1/31/18	Rehab elevated tank, rehab well #1 and replace watermain	IL1950300	\$453,000	06/15/18	674
28	Midlothian	4234	New	1/30/18	replace 4,400 feet of water main, valves and fire hydrants	IL0311890	\$2,000,000	02/20/19	14,380
29	Olmsted	5485	Renew	12/5/17	increase capacity of WTP, add chemical feed room, extend water main	IL1530250	\$638,500	07/01/18	483
30	Olympia Fields	5201	Renew	12/5/18	replace undersized water mains	IL0312280	\$2,130,000	08/15/18	350
31	Plainfield	4069	Renew	1/30/18	replace 6,000 LF water main and connect 120 water services	IL1970800	\$2,600,000	07/15/19	420
32	Rock City	4095	New	1/31/18	well #1 misc. improvements, storage tank rehab, valve/hydrant replacement	IL1770500	\$670,000	2/15/19	315
33	Rock Falls	5545	New	1/30/18	install 5,200 ft water main, water service extension	IL1950450	\$1,102,000	11/15/18	9,669
34	Saline Valley Conservancy District	4648	Renew	12/8/17	water service expansion	IL1655300	\$700,000	09/15/18	150
35	Saline Valley Conservancy District	5159	Renew	11/6/17	replace 3 deep wells	IL1655300	\$1,850,000	06/01/18	30,000
36	Savanna	5547	New	1/30/18	relocate and reconstruct water main, fire hydrants and new services	IL0150250	\$808,500	06/01/18	860
37	St. Jacob	1503	Renew	1/31/18	construct 300,000 gal elevated tank	IL1190950	\$1,250,000	05/01/19	1,150
38	Thebes	5541	New	1/26/18	new high service pumps, reconstruct chemical feed building	IL003015	\$367,000	03/01/18	436
39	Vergennes	1586	New	1/8/18	replace undersized water mains	IL0770550	\$140,000	06/01/19	11
40	Waterloo	3864	New	1/30/18	new class B water treatment facility and 22,000 LF water mains	IL1330300	\$18,500,000	10/01/19	10,140
41	Western Springs	5566	New	1/23/18	replace 3,000 LF water main (Phase 4)	IL0313180	\$970,000	06/01/19	13,391
42	Western Springs	5567	New	1/23/18	construct well #5 pumping equipment (Phase 5)	IL0313180	\$800,000	10/14/19	13,391
43	Williamsville	4598	New	1/30/18	watermain extension to unserved community, service connect & hydrants	IL1671300	\$710,000	07/31/18	196
44	Winnebago	4890	Renew	1/17/18	replace undersized water mains/hydrants/valves & new main for looping	IL2010500	\$3,500,000	12/15/18	3,200
45	Winnetka	5557	New	1/30/18	replace 1,900 ft water mains	IL0313330	\$448,290	04/30/19	12,417
46	Wonder Lake	5447	Renew	1/29/18	construct new water supply, treatment and storage system	IL1115300	\$5,827,500	12/30/18	950
							\$123,267,805		
Funding Nomination Form received before January 31, 2018 - No Project Plan submitted									
1	Abingdon	TBD	New	01/1718	replace lead water service lines from public water main to individual homes	IL0950050	\$16,500,000	12/01/18	3,319
2	Blue Island	TBD	New	1/30/18	rehab of south 1 million gallon elevated water storage tank	IL0310240	\$1,000,000	02/20/19	23,463

3	Central Lake County JAWA	TBD	New	1/31/18	add 2 new communities currently on well systems (north group bid pkg 5)	IL0971070	\$9,000,000	06/30/19	207,000
4	Crystal Lake	TBD	New	1/31/18	rehabilitation to water treatment plant 2	IL1110150	\$5,200,000	04/26/19	40,339
5	Elmhurst	TBD	New	1/30/18	north PS rehab, rehab north elevated water tank & south elevated tank & SCADA	IL0430350	\$2,880,000	01/22/19	46,387
6	Freeport	TBD	New	1/25/18	water system improvements	IL1770200	\$8,000,000	07/01/19	25,648
7	Genoa	TBD	New	1/1/18	maintenance & repair to the city's north tank	IL0370150	\$1,000,000	01/16/19	5,194
8	Germantown	TBD	New	1/31/18	water treatment plant improvements	IL0270350	\$1,000,000	05/15/19	1,481
9	Glen Carbon	TBD	New	1/31/18	construction of new water treatment plant to serve the village	IL1195300	\$7,500,000	09/01/20	13,000
10	Green Valley	TBD	New	1/22/18	replace old water main, valves and hydrants throughout village	IL1790250	\$2,500,000	2/1/19	700
11	Harristown	TBD	New	1/30/18	replace existing ground water storage tank with elevated water tower	IL1150210	\$2,000,000	01/01/19	1,370
12	Knoxville	TBD	New	1/4/18	replace lead water service lines from main to approx. 200 homes	IL095033	\$800,000	10/01/18	3,183
13	Lincolnwood	TBD	New	6/2/17	transmission main to connect to Evanston	IL0311650	\$12,000,000	04/01/19	12,646
14	Lockport	TBD	New	1/19/18	construct ion exchange treatment facility for Well No. 15	IL1970500	\$3,605,410	09/01/18	24,839
15	Lockport	TBD	New	1/19/18	construct shallow well in Silurian Dolomite aquifer and iron filtration facility	IL1970500	\$3,770,285	09/01/19	24,839
16	Lockport	TBD	New	1/19/18	construct deep well in Ironton-Galesville aquifer & ion exchange treatment	IL1970500	\$4,670,410	09/01/19	24,839
17	London Mills	TBD	New	1/23/18	replace undersized water mains, defective valves, add fire hydrants	IL0574620	\$1,450,000	04/01/19	450
18	Merrionette Park	TBD	New	1/23/18	water main, valves and fire hydrant replacements	IL0311890	\$500,000	02/20/19	1,999
19	Mound Public Water District	TBD	New	1/31/18	replace water mains	IL1835050	\$700,000	08/01/19	1,600
20	Mt. Vernon	TBD	New	1/31/18	replace/renovate 3 water towers, new meter system, replace 151,163 LF mains	IL0810300	\$15,277,946	07/01/18	15,277
21	Murdale Water District	TBD	New	1/29/18	water system improvements	IL0775200	\$741,000	02/01/19	1,166
22	Pecatonica	TBD	New	1/29/18	replace water main, rehab/repair elevated storage tank	IL2010250	\$3,000,000	09/15/18	2,195
23	Plainfield	TBD	New	7/13/17	replace 2,800 ft water main and replace 98 water services	IL1970800	\$1,000,000	10/13/17	42,527
24	Pontoon Beach Public WD	TBD	New	1/31/18	replace water mains	IL1195300	\$1,300,000	10/01/19	3,853
25	Posen	TBD	New	1/29/18	replace 10,990 ft water mains, lead services, valves and fire hydrants	IL0312520	\$4,726,000	02/20/19	5,820
26	Posen	TBD	New	1/29/18	install 500,000 gal elevated tank	IL0312520	\$3,072,000	02/20/19	5,820
27	Prophetstown	TBD	New	1/30/18	construct new well and WTP for reduction of iron and manganese	IL1950400	\$3,609,000	05/14/19	2,080
28	Saline Valley Conservancy District	TBD	New	7/20/17	construct bypass watermain	IL1655300	\$1,500,000	08/30/18	5,100
29	St. Anne	TBD	New	1/31/18	watermain/valves/hydrants/meter replacement, iron removal system, well house	IL0025755	\$5,500,000	12/30/18	1,265
30	Tampico	TBD	New	1/23/18	Replace water mains with appurtenances and surface restoration work	IL1950550	\$2,572,000	03/19/19	790
31	Toulon	TBD	New	1/22/18	replace underground storage tank and complete rehab on elevated tank	IL1750150	\$750,000	02/01/19	1,400
32	Tri-Township Water District	TBD	New	6/12/17	system improvements	IL1190080	\$2,700,000	01/01/19	350



33	Villa Park	TBD	New	1/30/18	replace water main, fire hydrants and valves	IL0430800	\$2,400,000	09/01/18	21,904
34	Winnebago County Water District	TBD	New	1/16/18	new well, WTP, elevated water storage, services and water mains		\$35,469,000	06/13/19	5,460
35	Winnetka	TBD	New	1/30/18	replace 3,075 ft water mains	IL0313330	\$716,595	04/30/20	12,417

**Projects which have only submitted a Funding Nomination Form - Total      \$168,409,646**

**PWSLP FY2019 Intended Funding List - Total      \$299,841,852**

**Projects with Project Plan approval - Anticipated construction after March 31, 2019      \$144,721,700**

**Funding Nomination Form received before January 31, 2018 without an approved Project Plan      \$123,267,805**

**Projects which have only submitted a Funding Nomination Form - Total      \$168,409,646**

**Total Requested Funding      \$736,241,003**

## **APPENDIX C: Summary of Public Participation and Public Comments**

The Draft 2019 IUP was released for public review on June 8, 2018, thus beginning the 30-day public comment period. The Draft 2019 IUP notice was placed on Illinois EPA's general notice website <http://www.epa.illinois.gov/public-notices/general-notices/index> and each of the identified stakeholders of the Public Water Supply State Revolving Fund (SRF) program were also notified by e-mail. The notice directed potential commenters to Barb Lieberoff, Office of Community Relations as the Agency contact for receiving comments and questions pertaining to the Draft 2019 IUP. No comments were received regarding the PWSLP IUP and this IUP is now considered final.